

IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION

0122
CAUSE NO: FSD OF 2013

IN THE MATTER OF SECTION 86 OF THE COMPANIES LAW (2012 REVISION)

AND IN THE MATTER OF THE GRAND COURT RULES 1995 ORDER 102

AND IN THE MATTER OF MIR UK HEDGE FUND LIMITED



PETITION



To the Grand Court of the Cayman Islands

The humble petition of MIR UK Hedge Fund Limited (the "**Company**") of Maples Corporate Services Limited, P.O. Box 309, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands, shows that:

1. The object of this Petition is to seek the sanction of the Court of a Scheme of Arrangement under Section 86 of the Companies Law (2012 Revision), as amended, (the "**Law**"), to a proposed scheme of arrangement between the petitioner, the Company, and the holders of Founder Shares, Ordinary Shares and Management Shares in the Company (the "**Scheme**").
2. A true copy of the Scheme is contained in Appendix 3 to the composite scheme documents, a draft of which is attached at pages 40 to 52 of Exhibit "GPM-1" to the First Affidavit of Giles Morland.

The Petitioner

3. The Company was incorporated with limited liability and registered in the Cayman Islands on 6 June 2001 as an exempted limited company under the Law and ascribed registered number 110686 by the Registrar of Companies of the Cayman Islands.
4. Since being registered in the Cayman Islands, the registered office of the Company has been situated at the offices of Maples Corporate Services Limited, P.O. Box 309, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands.

5. the Company is a regulated mutual fund registered with the Cayman Islands Monetary Authority ("**CIMA**") under section 4(3) of the Mutual Funds Law (2012 Revision).
6. The Ordinary shares of the Company are listed on the Irish Stock Exchange.
7. The objects for which the Company was established are unrestricted and the Company has full power and authority to carry out any object not prohibited by any law as provided by the Companies Law (2001 Second Revision).
8. As an exempted company, the Company is subject to restrictions in its powers to trade in the Cayman Islands but is otherwise capable of exercising all the functions of a natural person of full capacity as provided by section 27(2) of the Law.
9. In accordance with its investment objective, the Company has sought to provide investors with consistent absolute returns, uncorrelated to UK market indices, through investment in the UK equity markets.
10. The Company is administered by SMT Fund Services (Ireland) Limited in Ireland. The Investment Manager of the Company is Mirabaud Unit Trust Managers Limited and the Investment Adviser is Mirabaud Asset Management Limited (formerly Mirabaud Investment Management Limited). The Company's Prime Broker and Custodian is Goldman Sachs International. The Company is audited by Ernst & Young in Ireland.
11. The present authorised share capital of the Company is (i) 250,000 Euros ("**€**") divided into 10 Founder Shares of a par value of €1.00 each and 24,999,000 Ordinary Shares of €0.01 par value each, (ii) 250,000 Pounds Sterling ("**£**") divided into 25,000,000 Ordinary Shares of £0.01 par value each and (iii) 250,000 United States Dollars ("**US\$**") divided into 25,000,000 Ordinary Shares of US\$0.01 par value each.

Founder Shares

12. Founder Shares in the Company are only issued at par and to such person or person as the Directors determine. Founder shares confer upon holders thereof rights in a winding up or repayment of capital as provided for in Article 141 of the Company's Articles of Association but confer no other right to participate in the profits or assets. Unless there are no Ordinary

Shares in issue the Founder Shares do not carry the right to receive notice of, or attend or vote at general meetings except in relation to votes in respect of:

- a. the appointment and removal of the Investment Manager;
- b. the appointment or removal of any Directors;
- c. the winding up of the Company;
- d. any amendment to the Memorandum and Articles of Association either to conform it to the Prospectus of the Company or affecting the foregoing matters.

13. Founder Shares have the additional right to the exclusion of Ordinary Shares to a) create one or more additional classes of shares of such number; and b) to amend the Memorandum and Articles of Association to provide for the creation of one or more additional classes of shares.

Management Shares

14. Management Shares rank equally with Ordinary Shares in all respects save that no performance fees are payable by the Company to the Investment Manager, Mirabaud Unit Trust Managers Limited in respect of its assets attributable to the Management Shares. Management Shares may only be issued by the Directors to i) the Directors, ii) the Investment Manager, the Investment Advisor, or any of their directors, members or employees, (iii) any person connected with any such person (including without limitation, a trustee of a trust established by or for such person, (iv) any company, partnership or other person or entity controlled by or which is the controller of any such persons, or (v) any nominee of any of the foregoing. The Directors shall determine, in their sole discretion, a person's eligibility to subscribe for Management Shares.
15. Generally, holders of Management Shares have the right to attend and vote at general meetings of the Company.

Ordinary Shares

16. Ordinary Shares may be issued to anyone defined in the Articles of Association as an "Eligible Investor". Pursuant to Article 12(1) all monies payable on or in respect of a Ordinary Share (including without limitation the subscription and redemption monies in respect thereof) shall be paid in the currency in which such Ordinary Share is denominated or in such other currency as the Directors may determine either generally or in relation to a particular Class of

Ordinary Shares or in any specific case. For the purposes of determining the Net Asset Value per Ordinary Shares of each Class, establish a separate sub-Account in the books of the Company for each such Class and each of such separate sub-Accounts.

17. Generally, holders of Ordinary Shares have the right to attend and vote at general meetings of the Company.

Hedging Costs

18. The base currency of the Company is Sterling. Currency hedging is currently being undertaken by the Company in respect of Management Shares issued in Euros and Ordinary Shares issued in Euros and US Dollars. The amount of any foreign exchange item, performance related, placing or distributor or other fees, liabilities or expenses is attributed by the Directors of the Company to the specific Class Account. Accordingly, the NAV of the Company is calculated in Sterling. In respect of those Shares which are not denominated in Sterling, the cost of hedging currency to convert into a non-Sterling denominated share price is borne by each respective class of non-Sterling denominated Management and Ordinary Shares to which hedging has been applied. That hedging cost is reflected in the price of those Shares.

Shareholder Profile

19. As of 2 September 2013:
 - a. 10 Founder Shares have been issued to Mirabaud Unit Trust Managers Limited;
 - b. 3,814.28 Management Shares have been issued, divided into 1,000 € shares and 2,814.28 £ shares; and
 - c. 72,504.74 Ordinary Shares have been issued, divided into 2,000 € shares, 62,518.87 £ shares, and 7,985.87 US\$.
20. The Founder, Management Shares and Ordinary are fully paid up or credited as fully paid up. A table detailing the existing Ordinary and Management Shares holdings in MIR UK Hedge is set out below.

Existing Holdings (anticipated to remain unchanged until 12 noon on the Effective Date)		
The Company		
Shareholder	Number of Issued <u>Ordinary</u> <u>Shares</u> (Total: 72,504.74)	%(of total no.)
Brown Brothers Harriman & Co. as custodian for Mirabaud Investment Management Limited 1819234 FBO its customers	Ord (Euro) 1,000	1.38
Recordvalue Limited*	Ord (Euro) 1,000	1.38
Brown Brothers Harriman & Co as custodian for Mirabaud Investment Management Limited 18190010 FBO its customers	Ord (GBP) 34,297.86	47.31
Brown Brothers Harriman & Co as custodian for Mirabaud Investment Management Limited 1819218 FBO its customers	Ord (GBP) 5,817.35	8.02
Brown Brothers Harriman & Co as custodian for Mirabaud Investment Management Limited 1819234 FBO its customers	Ord (GBP) 2,186.11	3.02
Mirabaud et Cie	Ord (GBP) 20,217.55	27.88
Brown Brothers Harriman & Co as custodian for Mirabaud Investment Management Limited 1819010 FBO its customers	Ord (USD) 1,597.17	2.20
Brown Brothers Harriman & Co as custodian for Mirabaud Investment Management Limited 1819234 FBO its customers	Ord(USD) 6,388.70	8.81

Shareholder	Number of Issued Management Shares (Total: 3,814.28)	%
IPS Pensions Builder	Man (GBP) 2,814.28	73.78
Smith & Williamson Trust Corp.*	Man (Euro) 1,000	26.22

*For operational/administrative reasons, RecordValue Limited and Smith & Williamson Trust Corp.'s shareholdings in the Company will be redeemed by the end of September 2013.

21. Brown Brothers Harriman & Co. is a global custody service provider to asset managers and financial institutions. It is the registered holder of Ordinary Shares denominated in GBPs and Euros in the Company. As indicated in the table above and as recorded in the register of members, it holds those shares on behalf of Mirabaud Asset Management Limited (formerly Mirabaud Investment Management Limited).
22. Mirabaud Asset Management Limited's registered office is at 33 Grosvenor Place, London, SW1X 7HY, England. It is investment advisor to the Company. All 51,287.19 Ordinary Shares held via Mirabaud Asset Management Limited are held for the benefit of underlying private client investors of Mirabaud Asset Management Limited on fully discretionary mandates.
23. Recordvalue Ltd is currently the registered holder of 1,000 Euro Ordinary Shares in the Company. Marc Pereire, who is a director of the Company, is a 40% shareholder of Recordvalue Ltd.
24. Mirabaud et Cie is a private bank registered in Switzerland which specialises in asset management and securities trading. All of the 20,217.55 Ordinary Shares held via Mirabaud et Cie, are held for the benefit of 20 underlying private investors of Mirabaud et Cie. The interests of 19 of these underlying private investors (relating to 16,035.68 Ordinary Shares) are held by Mirabaud et Cie on full discretionary mandates; this means that Mirabaud et Cie is not required to obtain their voting instructions in respect of the Ordinary Shares. The interests of 1 of these underlying investors (relating to 4,181.87 Ordinary Shares) are held by

Mirabaud et Cie on "non-managed" mandates; this means that Mirabaud et Cie is required to obtain and vote in accordance with specific voting instructions from this 1 investor. Mirabaud et Cie holds 3,399.40 and 167.47 GBP Ordinary Shares in the Company on behalf of Thierry de Marignac and his wife respectively. Mr de Marignac is a director of the Company and is also a partner of Mirabaud & Cie, Mirabaud Participation & Cie, Mircan & Co Ltd, Mirabaud Participation Aigues Vives & CIE.

25. IPS Pensions Limited is incorporated in England and Wales with a registered office at Trinity house, Anderson Road, Swavesey, Cambridgeshire, CB24 4UQ, England. It is the owner of a Self Invested Personal Pension or "SIPP" for Philip Watson who is one of the directors of Mirabaud Asset Management Limited.
26. Smith & Williamson Trust Corporation Limited is incorporated in England and Wales with a registered office at 25 Moorgate, London, EC2R 6AY, England, and provides trustee and custodian services. It holds shares beneficially for Marc Pereire, who is a director of the Company.

The Objects and Mechanics of the Scheme

27. The Scheme is part of an ongoing wider project to streamline funds offered under the Mirabaud Group such that all of the Group's funds will be domiciled in Luxembourg under a fund range called "Mirabaud" using an umbrella Luxembourg societe d'investissement a capital variable (or "SICAV") of the same name and established on 11 February 2004.
28. The object of the Scheme is to take advantage of cross border marketing opportunities for undertakings for collective investments in transferable securities (or "UCITS") and thereby increase the investor base and capital, as well as achieve greater economies of scale.
29. The Scheme is to be implemented subject to receipt of the relevant tax clearances. The purpose is to ensure that there is no disposal for the purposes of tax on capital gains and that the New Shares issued under the Scheme have the same acquisition base cost as the shares currently held in the Company. With the implementation of the Scheme as devised, there is a scheme of reorganisation such that the UK HM Revenue and Customs is expected to agree that rollover relief will be available.
30. The principal features of the Scheme are as follows:

- a. To facilitate the implementation of the Scheme, the current accounting period for the Company will end at 11.59am on the Effective Date. Income (if any) will be allocated to Shareholders in the Company, and will be accumulated and reflected in the value of Scheme Shares, immediately prior to the Scheme being implemented.

On the Effective Date:

- b. The assets of the Company except for the Retained Amount (which is intended to cover the actual and contingent liabilities of the Existing Fund) will be transferred to the Company and allocated to its sub-fund called Mirabaud-Equities UK (the "**New Fund**");
- c. Class A capitalisation shares in the New Fund (the "**New Shares**") will be issued to the holders of Scheme Shares in the Company (or their appointed nominees) in place of their Scheme Shares.
- d. The New Fund has a base currency of Sterling and issues distribution and capitalisation shares. In place of a holding of Shares in the Company, holders of Scheme Shares will receive a holding of GBP Class A capitalisation shares (irrespective of whether the Scheme Shareholder's current Scheme Shares are GBP, Euro or US Dollar denominated Shares in the Company).
- e. The value of the New Shares issued to a holder of Scheme Shares in the New Fund shall, as nearly as practicable, be equivalent in value to the value of the Shareholder's Scheme Shares immediately prior to the implementation of the Scheme.
- f. The funds will be managed by a UCITS IV management company called Mirabaud Asset Management (Europe) S.A. which is under the ultimate responsibility and oversight of the Board of Directors of the Company.
- g. Shares of the Company will be delisted from the Irish Stock Exchange immediately after implementation of the Scheme and the issue of New Shares.
- h. Upon the issue of the New Shares by the New Fund, and the subsequent transfer of the Transferred Property and application of the Retained Amount in accordance with the

Scheme, the Company will be dissolved without winding up and its legal existence will cease for all purposes.

31. HMRC in the UK has given appropriate clearances to the effect that rollover relief is available to UK taxpayers in relation to any gains which would otherwise be realised, and that the New Shares have the same acquisition base cost to such taxpayers as the shares in the Company. The relevant relief is available upon implementation of the Scheme as drafted as the Scheme is a scheme of reorganisation.
32. All costs and expenses relating to the Scheme (including the costs of calling the meeting of Shareholders) will be met by Mirabaud Asset Management Limited and/or Mirabaud Asset Management (Europe) S.A., as appropriate and as they agree between them.
33. CIMA has confirmed that it has no objection to:
 - a. the Scheme being put to the Shareholders of the Company;
 - b. waiving the audit requirement for the period January 1, 2013 to the date on which the Scheme becomes effective on the basis that the audit of Mirabaud Equities UK will take the place of an audit of the Company; and
 - c. to the Company terminating its registration with CIMA under section 4(3) of the Mutual Funds Law prior to its dissolution by Court Order without a winding up.
34. The Scheme is such that an intelligent and honest person, being a holder of Scheme Shares, and acting in respect of their interests, might reasonably approve it.

Scheme Meetings of Ordinary and Management Shareholders of the Company

35. The Company intends to seek leave to convene separate court meetings of i) the Management Shareholders of the Company and ii) the Ordinary Shareholders of the Company for the purpose of considering and, if thought fit, approving (with or without such modification as may be approved at the court meetings) the following resolution:

"The scheme of arrangement (the "Scheme") in relation to MIR UK Hedge Fund Limited (the "**Fund**") and a consequent issue of shares in Mirabaud-Equities UK, a sub fund of Mirabaud,

a Luxembourg SICAV, contained in Appendix 3 to a document dated [] 2013 or in such other form and on such terms and conditions as may be approved or imposed by the Grand Court of the Cayman Islands and addressed by the Directors of the Fund to the holders of shares in the Fund be and is hereby approved, and accordingly that the Directors of the Fund and the Fund's Custodian be and are hereby authorised to implement and give effect to the Scheme in accordance with its terms."

YOUR PETITIONER THEREFORE humbly prays that:

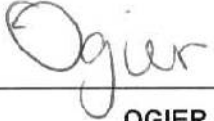
36. All necessary directions be made including:
 - a. the Company be at liberty to convene a meeting of the Ordinary Shareholders of MIR Hedge Fund and a meeting of the Management Shareholders of the Company appearing in the Company's register of members on the date determined by this Honourable Court for the purpose of considering and, if thought fit, approving (with or without modification) the Scheme (the "**Scheme Meetings**");
 - b. a declaration as to the relevant classes of holders of Ordinary and Management Shares in the Company entitled to be present and vote upon the Scheme at the Scheme Meetings;
 - c. directions as to the method of convening the Scheme Meeting and for the mode of delivery of the Proxy Statement and form of proxy to the holders of Ordinary and Management Shares in the Company;
 - d. the appointment of a Chairman for each Scheme Meeting and for directions that each Chairman should report the results thereof to this Honourable Court;
 - e. directions as to treatment of shares held by custodians and other nominees for the purposes of the "majority in number" calculation; and
 - f. such further or additional orders may be made as this Honourable Court shall see fit.
37. The Scheme be sanctioned by this Honourable Court so as to be binding on the Company and the holders of the Scheme Shares.

38. Such further or other relief be granted as the Court shall see fit.

AND your Petitioner will ever pray etc.

DATED the 9th day of September 2013

FILED the 9th day of September 2013



OGIER

Attorneys-at-Law for the Petitioner

NOTE: This Petition is not intended to be served on anyone.

This Petition was presented by Ogier, Attorneys at Law for the Petitioner, whose address for service is 89 Nexus Way,
Camana Bay, Grand Cayman, KY1-9007, Cayman Islands (Ref: WJB/RDL/OGP/424412.00001)

**ENDORSEMENT
NOTICE OF HEARING**

TAKE NOTICE THAT the hearing of this petition will take place at the Law Courts, George Town, Grand Cayman on 2013 at am/pm.

Any correspondence or communication with the Court relating to the hearing of this petition should be addressed to the Registrar of the Financial Services Division of the Grand Court at PO Box 495, Grand Cayman, KY1-1106, telephone 345 949 4296.